

# TIPS TO PREVENT AUTO THEFT AND INSURANCE FRAUD

## Auto Theft Crime Prevention Tips

Here are some tips to protect your car from auto theft or break-in, along with the approximate costs:

- Equip your vehicle with an “immobilizer” type system. \$400 - \$1000
- Equip your vehicle with a tracking system. \$400 - \$600
- Install an alarm system. \$100 - \$500
- Use a steering wheel locking device. \$30 - \$60
- Install a starter “kill-switch.” If you install - \$5, if a locksmith does it – about \$50
- Don’t leave your keys in your vehicle. FREE
- Lock your doors. FREE
- Park in a well lighted area when it is dark, and park near the entrances of buildings. FREE
- Park with the vehicle’s front wheels turned sharply to the right or left, and set the emergency brake. This makes it very difficult to tow the vehicle. FREE
- Have the Vehicle Identification Number (VIN) etched into the vehicle’s glass.
- Park in attended lots. FREE
- Never leave the registration, title or insurance certificates in the vehicle. Carry the registration and certificates in your purse or wallet and file the title safely at home. FREE
- Drop your business cards or other identification inside the vehicle’s doors, under the back seat and behind the dash. FREE
- ALWAYS ACTIVATE ANY ANTI-THEFT DEVICE THAT YOU HAVE INSTALLED ON THE VEHICLE WHEN IT IS UNOCCUPIED.

Many insurance companies will reduce your premium if you do one or more of the things listed above. (Source: National Insurance Crime Bureau)

If you do nothing and you HAVE theft insurance, your cost is the amount of your insurance deductible, all of the contents of your vehicle, your lost time and wages and your peace of mind.

If you do nothing and you DO NOT HAVE theft insurance, your cost is 100% of your vehicle (plus you’ve got to get a new vehicle or find another means of transportation), all of the contents of your vehicle, your lost time and wages and your peace of mind.

### **Don’t do these things!**

- **DON’T** leave your keys in your car while warming it up on cold mornings, or while pumping gas at the gas station, or when running into a convenience store or when dropping off the kids at day-care, etc. Thieves will steal anything that is an easy target.

- **DON'T** leave personal possessions (purse, laptop computer, packages from stores, cellular telephone, etc.) in your vehicle where they can be seen.
- **DON'T** hide a key in or on your vehicle. Thieves break into cars searching for keys.
- **DON'T** hide a firearm in your vehicle.

**If you must park your car outside overnight:**

- An alarm can be your best defense. This is because nighttime car prowlers look for the small light that indicates an “active” alarm and they avoid those cars. In a daytime parking lot, however, alarms are much less effective, because people tend to ignore them.
- An ignition “kill-switch” is very inexpensive and a very reliable method to prevent the theft of your car.

**Your Identity and Vehicle are at Risk from Identity Thieves**

**Facts**

Identity theft involves stealing someone’s personal identifying information, such as their name, address, birth date, social security number, credit card numbers and/or driver’s license number. Criminals who steal this personal information use it to fraudulently obtain credit, money, goods, services and other property.

Identity thieves commit vehicle theft scams as well. The most common tactic they use is to select luxury vehicles from dealerships and load them with options. The criminal completes the ownership paperwork using a stolen identity, leaves the dealership with the stolen vehicle and makes the first payment using a stolen or bogus credit card that contains another person’s identity. Because of the high sales commissions that come with luxury vehicle transactions, an unscrupulous dealership salesperson or owner could be involved in such a scam as well.

Once the vehicle is stolen, identity thieves can use it to commit other crimes or illicit illegal activities, sell it to other criminals or strip the car and sell it for its parts.

Many dealership owners know these crimes occur in their area. Some establish safeguards and guidelines for their sales staffs to avoid these scams. Other dishonest dealers may insulate themselves from responsibility by selling the loan to a financial institution, collecting their money and hoping they don’t get caught.

High volume dealerships are more likely to be targeted by identity thieves because fraudulent deals can easily get lost in the high volume paperwork shuffle. Furthermore, bad deals can get fast tracked at dealerships by unscrupulous salespeople.

## **Repairing your Car**

### **Fraud Prevention Tips**

- Use reputable collision repair shops that imply ASE-certified body technicians.
- Obtain a shop recommendation from your insurance company, a family member or friend.
- Select a facility that is clean and orderly, with updated equipment.
- Choose a shop that uses a written damage report instead of written estimate of cost/price of repair. A damage report is a “blueprint” for your repairs. Damage reports also contain more details about the repairs than written estimates.
- Ask for a written warranty on installed collision repair parts and paint work.

## **Heavy Equipment is a Tempting Target for Thieves**

### **The Facts**

Heavy equipment theft is a growing problem. In 2001, approximately 5,500 heavy equipment thefts were reported to the National Crime Information Center (NCIC). As with vehicle theft, organized crime rings are the primary driving force behind heavy equipment theft. In many instances, these sophisticated criminals have equipment shopping lists. They know the types of equipment they want and where to find it and frequently target construction sites rather than secured dealer lots.

Many of these organized crime rings send stolen construction equipment to other countries. Stolen equipment is often transported to the nearest port or across the border prior to being reported as stolen.

To help combat this problem, equipment manufacturers adopted a standard worldwide 17-digit product identification number (PIN) system beginning with their year 2000 models. With this format, international law enforcement computer systems can better check, verify, and track equipment reported as stolen.

## **Marine Vessel Theft and Fraud**

### **The Facts**

Boat theft and fraud are big business. Approximately 1,000 marine vessels are stolen each month in the United States costing owners and insurance companies \$40 million annually. Like stolen motor vehicles, stolen boats are frequently sold on the black market or to unsuspecting customers.

Every recreational marine vessel made or imported for sale in the United States after August 1, 1972 is required to have a Hull Identification Number (HIN). These 12-character identifiers contain a wealth of information for manufacturers, law enforcement agencies and organizations like the National Insurance Crime Bureau (NICB), all of which are involved in stopping fraud and theft.

With very few exceptions, all motorboats must have a registration number located on the forward part of the boat. While every state requires vessels to be registered before they can legally operate on their waters, not all states require vessels to be titled prior to registration. Non-titling states create an opportunity for vessel insurance and title fraud. Check with your insurer to determine if your state requires a vessel title prior to your registration.

### **Fraud and Theft Prevention Tips**

- Before purchasing a boat, make sure its HIN exactly matches the HIN listed on the registration and/or title.
- A vessel registered or titled as a home-built boat should have no manufacturer brand markings.
- Carefully review the vessel and its ownership paperwork for these fraud indicators:
  - The boat has been rebuilt, previously reported stolen, sunk or recovered.
  - The title or proof of ownership is a duplicate issue or from out of state.
  - Registration numbers appear altered or are not uniform.
  - The asking price is well below the market value.
- Do not purchase any vessel if the seller is unable to produce the title or proof of ownership.
- Install a kill switch in the ignition system.
- Install an alarm system designed specially for boats.
- Secure your boat to the dock with a locked steel cable.

## **Boat Theft Prevention**

### **Engrave Your Driver's License Number in Hidden Locations**

If your vessel or boat parts are stolen, you can help identify them to police if you have engraved your driver's license number in hidden locations. Be sure to engrave your driver's license number on the:

- Boat
- Engine
- Ship to shore radio
- Depth sounder
- Boat compass
- Stereo
- Trailer

**Maintain photographs or video of your boat, engine and boating equipment.**

### **Fraud and Prevention Tips**

- Use a trailer hitch lock after parking a boat on its trailer.
- Park your trailer in a locked garage, secured boat storage facility, or well lit, fenced area.
- Park the trailer so that the hitch is difficult to reach.
- Use a high-quality chain to lock and secure the boat and trailer to a fixed object, such as a tree.
- Chain and lock detachable outboard motors to the boat.
- Take photos of or videotape your boat and equipment for documentation.
- Ensure your marine insurance policy includes your boat, trailer and equipment.
- Maintain a copy of your registration and boat title.
- Remove keys and registration papers when leaving the boat.
- Remove expensive equipment when the boat is not in use.
- Lock cabins, doors and windows when the board is not in use.

## **Workers' Compensation Fraud Injures Everyone**

### **The Facts**

The workers' compensation insurance system – designed to help people who have legitimately been injured on the job – is a no-fault method of paying workers for medical expenses and wage losses due to on-the-job injuries. Most states require 100 percent payment of medical and rehabilitation expenses for injured employees and up to two-thirds of wage loss benefits while they are unable to work. As a result, workers' compensation is an appealing target for insurance criminals.

While the vast majority of workers' compensation claims are truthful, billions of dollars of false claims are submitted each year to insurers from patients and dishonest doctors who either inflate the extent of injuries or simply fabricate them in the first place.

We all pay the price for this crime. American businesses pay billions of dollars annually in higher insurance premiums and other expenses such as production delays, restraining costs and equipment replacements due to workers' compensation fraud. These costs translate into higher prices for goods and services.

Workers' compensation fraud has multiple forms and is practiced by some corrupt doctors, lawyers, employees (claimants) and even employers themselves. Many suspicious workers' compensation claims are for soft tissue injuries, such as strained muscles, headaches, whiplash and cumulative stress. These types of claims are extremely difficult to disprove, and, therefore, are favorites for those aiming to defraud the workers' compensation insurance system.

## **Medical Mills**

### **The Facts**

Medical mills are organized criminal enterprises that attempt to defraud insurers and their policyholders through unethical and fraudulent health care billing practices. While dishonest medical professionals are at the heart of medical mills, unscrupulous legal providers can also become involved in them. Dishonest attorneys purposely funnel patients to corrupt doctors or knowingly represent accident victims filing false or padded insurance claims.

Third-party middlemen recruiters, called cappers, enlist insurance fraud perpetrators and befriend legitimate accident victims for medical mills through promises of big money payoffs. These patients include those who exaggerate or fake an injury, oftentimes claiming soft-tissue sprains and strains that are hard to disprove and do not appear on x-rays. These patients will commonly fake slip-and-fall accidents and other injuries.

There are several types of medical mills. The most common are:

Fraudulent Physician - In this crime, everything is fabricated...from the doctor who fakes his or her credentials, to the bills, to the office itself. Since patients with bogus injuries are often recruited, these offices contain little or no medical supplies and actual treatment is rarely prescribed.

Double-Dipping Doctor - While this type of medical mill provides health care services, treatment methods are frequently excessive, redundant, or unnecessary. Patients are overcharged for services or billed for services never rendered. Bogus claims for treatment are then submitted to insurers for payment.

Inflated Billing – The most common type of medical mills occurs when a health care provider purposely miscodes diagnoses and inflates bills in order to receive more insurance money.

### **Fraud Prevention Tips**

- Be cautious of attorneys or telephone callers who allege to be insurance representatives and immediately solicit your business for treatment at a medical facility following an accident. In some states, it is illegal for an attorney to approach victims at an accident site.
- Check your doctor's and attorney's credentials. Before seeking medical treatment or legal counsel, contact your state medical licensing board for information on physicians or the American Bar Association for information on attorneys.
- Watch for referrals. Attorneys involved in medical mill operations will oftentimes insist an accident victim seek medical treatment from a specific doctor, so be wary of these referrals.
- Don't be talked into an injury. Be cautious if your doctor prescribes excessive treatment for minor injuries. Seek a second medical opinion when, for example, your doctor recommends testing, x-rays and medication for your "severe back pain" when in reality you don't feel any back pain at all.
- Talk to your insurance company. Maintain records of your office visits and treatments, and provide them to your claims representative, who can compare them to medical bills, uncover any discrepancies and avoid unnecessary payments to dishonest medical providers.